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Joint Committee on Finance *100th ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: April 15, 2011

Re: DCF Report to JFC

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV;jm



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Governor Scott Walker
Secretary Eloise Anderson

Secretary's Office

April 15, 2011

Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

RECEIVED
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BY: St. Finance

Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

This letter provides the Department of Children and Families' April 2011 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, March 2011

Expenditures related to fraud prevention and investigation: \$291,900

The above amount represents the March 2011 costs of the Child Care Fraud Detection and Investigation Unit, information technology programming costs, and an estimate of county expenditures from their DCF allocations for investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$40,100

The March 2011 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$295,346

In March 2011, DCF collected \$182,274 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$113,072 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are owed to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

T 608.266.8684 F 608.261.6972 dcf.wi.gov

No overpayments and/or restitution collections have been reported by other agencies in March 2011 to DCF.

Providers Suspended from the Wisconsin Shares Program, March 2011

During the month of March, DCF suspended payments to eleven child care providers; all eleven were from Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during March a total of \$234,134 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through March the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$7,385,027.

Automatic Authorization of Child Care Hours System

Number of changes made to authorized hours during the month: 2,395 changed authorizations
This figure reports the total number of active authorizations in March that were reduced by the automated system.

Total reduction made to the authorized hours during the month: 17,067 hours
This figure reports the total number of hours taken off of active authorizations in March that were reduced by the automated system.

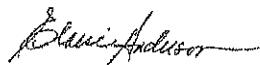
Estimated savings in the month due to the automated authorization adjustment system: \$120,200
This is an estimate of the maximum potential savings for those active authorizations in March that were reduced by the automated system.

Were child care quality improvements identified via use of the new system? To date, no.
The system was launched on May 15, 2010 and was designed primarily to improve consistency in the authorization process rather than to identify opportunities for making quality improvements.

Estimated annualized ongoing costs to operate the automated system: \$50,000
The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Eloise Anderson
Secretary

cc: Mike Huebsch, Department of Administration
Bob Lang, Legislative Fiscal Bureau

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
G.R.E.A.T.	03/04/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags, indicating a likelihood of Shares violations, and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to have attendance records available at the child care site when the department requested to review them; 3) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 4) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$22,496.29	Yes	No

The Department has been unable to verify the actual care of children when attempting to visit the facility on numerous occasions between April 2010 and February 2011. The unsuccessful attempt(s) to verify the presence of children attending the facility raises a strong and reasonable suspicion that the provider was billing the Wisconsin Shares program for children who did not actually attend the child care facility.

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Gingerbread Day Care-Strong's Learning Station LLC	Milwaukee	03/04/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags, indicating a likelihood of Shares violations, and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program; and 4) prior licensing citations.	Yes	\$13,858.11	Yes	No

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
One Heart 2 Another	Milwaukee	03/04/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags, indicating a likelihood of Shares violations, and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation, 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p>	No	\$2,404.00	Yes	

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Pat Pat's Family Child Care	Milwaukee	03/04/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags, indicating a likelihood of Shares violations, and the following findings from the Department's investigation, including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	No	Yes	\$1,580.40	Yes

The Department has evidence that the provider billed for more hours than children actually attended and billed for children who were not in attendance.

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Andrea's Child Development Center	Milwaukee	03/11/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program. The Department has evidence that the provider billed for children no longer attending the child care center, even after the parents stopped bringing their children to the child care center.	No	Yes	\$51,230.40	Yes

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
God's Care Child Center, Inc	Milwaukee	03/11/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program. The Department has evidence that the provider billed for more hours than children actually attended; billed for children who were not in attendance; and signed children in and out when not actually in attendance.	Yes	\$99,085.72	Yes	No

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overspent Established	Referred to Law Enforcement	Collection
We're All Unique	Milwaukee	03/11/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$3,684.55	Yes	No

**Wisconsin Shares Provider Suspensions
March 2011**

The Department has evidence that the provider: 1) Billed for more than 13 children who were not in attendance while the facility was closed between 12/15/2010 and 12/23/2010. 2) Billed for children who were not in attendance. The provider told the Department children were not in attendance after 5:00 PM on 1/11/2011, yet the provider's attendance records reflected six children in attendance after 5:00 PM. 3) The provider maintained three sets of attendance records that all contain differing times between 10/18/2010 and 10/22/2010.

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Anderson's Angels Child Care	03/18/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	No	\$15,415.79	Yes	

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection Enforcement
Kevions Kreative Kids Daycare	Milwaukee	03/18/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to have attendance records available at the child care site when the department requested to review them; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	No	\$15,141.46	Yes	Yes
			During an onsite visit on 9/25/2009, the provider was unable to provide investigators with requested attendance records from 9/1/2009 through 9/19/2009.				
			During an onsite visit on 10/15/2010, the provider was unable to provide investigators with requested attendance records from 8/22/2010 through 10/2/2010.				
			During an onsite visit on 10/18/2010, the provider was unable to provide investigators with requested				

**Wisconsin Shares Provider Suspensions
March 2011**

attendance records from 6/27/2010 through
7/31/2010.

During an onsite visit on 11/4/2010, the provider
was unable to provide investigators with requested
attendance records from 6/28/2009 through
6/26/2010.

The Department has evidence that the provider
billed for children who were not in attendance and
billed for more hours than children actually
attended.

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Coles Little Angels Learning Ctr	Milwaukee	03/25/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$7,837.23	Yes	No
			The Department has evidence that the provider billed for children who were not in attendance; billed for more hours than children actually attended; paid parents \$30 not to bring their children to the facility, even though the children were authorized to attend the facility and the provider was being paid by the Shares program to caring for these children.				

Wisconsin Shares Provider Suspensions
March 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Desma D Harris	03/25/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$526.09	No	Yes

Wisconsin Shares Provider Suspensions
March 2011

program for the care of five children.

The provider is certified to provide certified child care for no more than 480 hours per week (capacity 6 children, 5 days/week, open 16hours/day [$6 \times 5 \times 16 = 480$]). During the following weeks the provider reported providing child care that exceeded 480 hours:

- 6/27/2010 622 hours of attendance billed
- 7/18/2010 518 hours of attendance billed
- 7/25/2010 518 hours of attendance billed

The Department reviewed the provider's billing records for the identified periods of time above. Contrary to statute and rule, the provider billed the Wisconsin Shares program for more hours of care than authorized to provide according to her child care certification limit of 6 children in care at any one time during certified hours of operation. The provider billed those excessive hours for all of the weeks listed above.

The Department has evidence that the provider billed for more hours than children actually attended, billed for children who were not in attendance, and marked children in attendance on her attendance records when the children were not present.